

## Message Text

UNCLASSIFIED

PAGE 01 LA PAZ 01629 071525Z

10

ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 /018 W  
----- 069342

R 071300Z MAR 75  
FM AMEMBASSY LA PAZ  
TO SECSTATE WASHDC 5887  
INFO USDOC WASHDC  
AMEMBASSY BUENOS AIRES

UNCLAS LA PAZ 1629

E.O. 11652: N/A

TAGS: BEXP, BL

SUBJECT: AWARD OF ENGINEERING DESIGN AND PURCHASING CONTRACT TO  
ARTHUR G. MC KEE COMPANY, CLEVELAND, OHIO

REF: (A) LA PAZ 7974 (B) LA PAZ 7774 (C) LA PAZ 7332 (D) LA PAZ 3021  
(E) LA PAZ A208 (F) LA PAZ A-150 (G) STATE 256967 (H) CERP 0424

1. YPFB, GOB PETROLEUM COMPANY, HAS AWARDED ARTHUR G. MC KEE CO.,  
CLEVELAND, OHIO A CONTRACT TO DESIGN, RECOMMEND AND PURCHASE EQUIP-  
MENT FOR (A) CONSTRUCTION OF COCHABAMBA LUBRICATION PLANT, (B) EN-  
LARGEMENT OF COCHABAMBA'S PETROLEUM REFINERY, AND (C) CONSTRUCTION  
OF SNATA CRUZ PETROLEUM REFINERY.

2. THOUGH CONTRACT WAS SIGNED BY MC KEE & CO., CLEVELAND, OHIO,  
DESIGN AND PURCHASING ACTIVITIES WILL BE LOCATED AT AND MANAGED BY  
ARGENTINE AFFILIATE: A.G. MC KEE & CO., ARGENTINA S.A., ALSINA  
633, FORUTH FLOOR, BUENOS AIRES, TEL. 34-4610, ATTN: MR. RUBEN J.  
JOMOVICK, PROJECT MANAGER. MC KEE CLEVELAND IS TO SUPERVISE AND  
SUPPORT ARGENTINE AFFILIATE.

3. ALL EQUIPMENT PROCUREMENT IS TO BE APPROVED BY YPFB AND A YPFB  
ENGINEERING PROJECT PURCHASING TEAM WILL BE ASSIGNED TO MC KEE  
BUENOS AIRES. IT IS PRESENTLY UNKNOWN WHETHER THIS STAFF WILL  
MAKE ALL PURCHASING DECISIONS OR WHETHER AT CERTAIN DOLLAR LIMITS  
AND POSSIBLY BY TYPE OF EQUIPMENT, FINAL APPROVAL MUST COME FROM  
YPFB, LA PAZ, BOLIVIA. WHEN PURCHASING PROCEDURE APPROVAL CHANNEL  
BECOMES KNOWN, IT WILL BE REPORTED.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LA PAZ 01629 071525Z

4. DUE TO AVAILABILITY OF LARGE SCALE EQUIPMENT AND TO LONG-LEAD DELIVERY OF CERTAIN EQUIPMENT AND MATERIAL, PURCHASING IS TO START WITHIN FIVE TO SIX MONTHS AFTER YPFB RELEASES THE INITIAL QUOTA PAYMENT TO MC KEE. THIS RELEASE IS EXPECTED EARLY MARCH AND WHEN RELEASED, MC KEE WILL HAVE THIRTY MONTHS TO COMPLETE PROJECT.

5. THE COCHABAMBA LUBRICATION PLANT INVESTMENT IS US \$46 MILLION AND AS IT IS A BID LOAN, PUBLIC EQUIPMENT TENDERS MUST BE ISSUED. IT IS PRESENTLY UNKNOWN WHETHER THESE TENDERS WILL ORIGINATE FROM LA PAZ OR BUENOS AIRES.

6. EQUIPMENT PROCUREMENT FOR REFINERIES WILL BE BY INVITATION.

7. BANCO DE LA NACION ARGENTINA PROVIDED SUPPLIERS CREDIT IN AMOUNT OF US\$ 69 MILLION BUT IS EXPECTED THAT ONLY US \$20 MILLION WILL BE USED FOR MCKEE PROJECT. APPEARS YPFB MUST FINANCE BALANCE OF US \$24 MILLION AS VALUE OF THREE PROJECTS IS US \$125 MILLION. A SYNDICATE OF BANKS LEAD BY BANK OF AMERICA HAS LOANED YPFB US \$35 MILLION.  
STEDMAN

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 MAR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975LAPAZ01629  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750081-0413  
**From:** LA PAZ  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750373/aaaacnin.tel  
**Line Count:** 82  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 LA PAZ 7974, 75 LA PAZ 7774, 75 LA PAZ 7332, 75 LA PAZ 3021  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CollinP0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 29 MAY 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <29 MAY 2003 by RuthemTJ>; APPROVED <26 FEB 2004 by CollinP0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** AWARD OF ENGINEERING DESIGN AND PURCHASING CONTRACT TO ARTHUR G. MC KEE COMPANY, CLEVELAND, OHIO  
**TAGS:** BEXP, BL  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006